

Analyzing the Impact of IPR on Customer Satisfaction in the Banking Industry

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Abstract: *Consumer satisfaction plays a very important role in any business. It can only be attained if the customer has an overall good relationship with the supplier. The fundamental premise of any business operation is the pivotal role played by customers, as they serve as the driving force behind its initiation and ultimate cessation. Consequently, it is imperative to accord customers the utmost importance and prioritize their satisfaction, thereby establishing them as the reigning authority within the market. The success of an organization, including its business enhancements, profit, status, and image, is contingent upon the satisfaction and loyalty of its customers. Therefore, it is of most significance for all Organizations to ensure that they meet and exceed customer expectations, thereby ascertaining customer satisfaction. The efficiency of management and the promptness of service provision are additional factors that must be considered. The satisfaction experienced by customers can be attributed to a range of business factors, including marketing strategies, product development and manufacturing processes, engineering efforts, the quality of products and services offered, prompt and effective resolution of customer issues and inquiries, successful project completion, post-delivery services, and efficient complaint management systems, among others. Customer satisfaction refers to the comprehensive evaluation of a supplier by customers, encompassing their overall impression and perception of the supplier's performance.*

Keywords: Customer Satisfaction, Customers, Banking, Banks, Industries

I. INTRODUCTION

The Indian banking sector has undergone significant reforms and transformations in recent years following the privatization and liberalization initiatives. As a result of intense competition within the financial market, banking institutions have become increasingly aware of the significance of service quality as a means of attaining a competitive edge. A trend has been observed in which banks are allocating a considerable portion of their budget towards expenses associated with enhancing service performance, including employee training. Research has indicated that customer satisfaction is likely to occur when their expectations are met or exceeded. It is probable that customers who are content with the service provided by a firm will exhibit loyalty towards said firm and engage in repeat business transactions. The customer's commitment towards the service provider was strengthened as a result of this. Given the high cost associated with acquiring new customers, it is imperative for banks to prioritize customer retention as a means of sustaining long-term profitability. In order to formulate an effective marketing strategy, it is imperative to obtain information regarding the customer's perception of the quality of service.

HISTORY OF CONSUMER SATISFACTIONS

The history of consumer satisfaction can be traced back to the early 20th century when the concept of customer satisfaction and its importance started to gain recognition. One of the pioneers in this field was American economist Simon Kuznets, who in the 1930s developed the concept of the "national income" as a way to measure a country's



economic growth and overall well-being. This concept was based on the idea that consumer satisfaction was a key factor in determining a country's economic success.

In the 1940s, American sociologist Robert K. Merton developed the concept of reference groups, which are groups of people that individuals use as a basis for comparison in order to evaluate their own attitudes and behaviors. This concept was important for understanding how consumer satisfaction is influenced by social factors, such as the opinions and behaviors of others.

During the 1950s and 1960s, marketing research began to focus on understanding consumer needs and wants, and how to satisfy them. This led to the development of marketing concepts such as product differentiation, target markets, and positioning, which were all based on the idea of understanding and satisfying consumer needs.

In the 1970s, the concept of customer satisfaction began to receive more attention in the business world. Researchers began to develop methods for measuring customer satisfaction, and businesses started to realize the importance of satisfying their customers in order to retain their loyalty and increase profits.

In the 1980s and 1990s, there was a growing recognition of the importance of customer service and customer relationship management. Companies started to invest in improving their customer service and building strong relationships with their customers, as a way to increase customer satisfaction and loyalty. In the early days, consumer satisfaction research was primarily focused on measuring customer attitudes towards products and services. However, as the field evolved, researchers began to develop more sophisticated methods for measuring satisfaction, including surveys, focus groups, and other forms of qualitative research.

Today, the concept of consumer satisfaction continues to be an important topic in the business world, as companies strive to understand and meet the needs and wants of their customers. With the rise of social media and online reviews, consumers now have more power than ever to influence the success of businesses by sharing their experiences and opinions with others. As a result, companies are increasingly focused on delivering high levels of customer satisfaction in order to maintain their reputation and stay competitive in the marketplace.

MEANING AND DEFINITION OF CUSTOMER SATISFACTION

The following customer satisfaction definition comes from Cambridge Dictionary:

"A measure of how happy customers feel when they do business with a company."

Some people might just be polite. Customers play an important role and are essential in keeping a product or service relevant; it is, therefore, in the best interest of the business to ensure customer satisfaction and build customer loyalty.

Kotler (2000) defined satisfaction as: "a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations". Customer satisfaction information, including surveys and ratings, can help a company determine how to best improve or change its products and services. The Indian banking sector has undergone significant reforms and transformations in recent years following the privatization and liberalization initiatives. As a result of intense competition within the financial market, banking institutions have become increasingly aware of the significance of service quality as a means of attaining a competitive edge. A trend has been observed in which banks are allocating a considerable portion of their budget towards expenses associated with enhancing service performance, including employee training. Research has indicated that customer satisfaction is likely to occur when their expectations are met or exceeded. It is probable that customers who are content with the service provided by a firm will exhibit loyalty towards said firm and engage in repeat business transactions. The customer's commitment towards the service provider was strengthened as a result of this. Given the high cost associated with acquiring new customers, it is imperative for banks to prioritize customer retention as a means of sustaining long-term profitability. In order to formulate an effective marketing strategy, it is imperative to obtain information regarding the customer's perception of the quality of service.

Numerous studies have been conducted in the past to assess service quality, leading to the development of service quality models like SERVQUAL and SERVPERF.



Objectives of the RESEARCH

The following research objectives were used as the focus of the research study.

- To study the factors contributing to the Service Quality.
- To find out correlation between service quality, customer satisfaction and Retention.
- To study the impact of service quality on customer satisfaction and Retention.
- To identify important factors of service quality from the demographic perspective of customers

MEASURING THE CUSTOMER SATISFACTION IN THE BANKS

Measuring customer satisfaction in banks requires a systematic approach to gather feedback and assess satisfaction levels. Here are some specific methods commonly used to measure customer satisfaction in banks:

Customer Surveys: Customer surveys involve gathering feedback from customers through questionnaires or surveys. These surveys can be conducted through various channels, such as online platforms, email, or in-person interviews. By asking customers about their satisfaction levels, preferences, and experiences, banks can collect quantitative and qualitative data to assess customer satisfaction. The results of these surveys provide valuable insights into specific areas where the bank is meeting or falling short of customer expectations.

Transactional Surveys: Transactional surveys focus on specific interactions between customers and the bank, such as a visit to a branch, an online transaction, or a customer service call. These surveys are typically shorter and aim to capture immediate feedback on the customer's experience. Transactional surveys help banks identify any pain points or issues that customers may face during specific transactions, allowing for prompt resolution and continuous improvement.

Net Promoter Score (NPS): The Net Promoter Score is a widely used metric that measures customer loyalty and satisfaction. Customers are asked to rate, on a scale of 0 to 10, how likely they are to recommend the bank to others. Based on their responses, customers are categorized as promoters (scoring 9-10), passives (scoring 7-8), or detractors (scoring 0-6). The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The NPS provides a straightforward measure of customer satisfaction and their likelihood to promote the bank to others.

Customer Complaint Tracking: Banks should have a system in place to track and analyze customer complaints. This allows banks to monitor the types of issues customers are experiencing and their frequency. By analyzing complaint data, banks can identify patterns or recurring problems and take appropriate actions to resolve them. Tracking complaints helps banks improve their processes, products, and services, leading to higher customer satisfaction.

Customer Feedback Management Systems: Customer feedback management systems help banks collect, analyze, and manage feedback from various sources, including surveys, social media, emails, and customer support interactions. These systems enable banks to gather and consolidate feedback from multiple touchpoints, providing a holistic view of customer sentiment. Analyzing this feedback helps banks identify areas where they excel and areas that require improvement, allowing for targeted action plans to enhance customer satisfaction.

Mystery Shopping: Mystery shopping involves hiring individuals who pose as customers and evaluate the banking experience. These "mystery shoppers" visit branches, interact with staff, and assess various aspects such as service quality, compliance, and customer support. Their observations provide firsthand insights into the customer experience and highlight areas for improvement. Mystery shopping helps banks assess their performance from a customer's perspective and make necessary adjustments to enhance satisfaction.

Customer Panels and Focus Groups: Customer panels or focus groups involve inviting a select group of customers to share their experiences, opinions, and suggestions. These sessions allow for in-depth discussions on specific topics or areas of interest. Banks can gather qualitative insights about customer preferences, pain points, and expectations. The feedback obtained from panels and focus groups helps banks gain a deeper understanding of customer needs and perspectives, guiding improvements and initiatives that align with customer satisfaction.

Digital Analytics: Digital analytics involves analyzing data related to customers' digital interactions with the bank, such as website traffic, user behavior, and mobile app usage. By studying these metrics, banks can understand how



customers engage with their digital channels and identify areas where the user experience can be enhanced. This data-driven approach helps banks optimize their digital platforms, resulting in improved customer satisfaction in the online and mobile banking spaces.

By utilizing these methods, banks can effectively measure customer satisfaction, gain insights into customer perceptions, and make data-driven decisions to improve their services & products.

RESEARCH METHODOLOGY

The reason for review research is to sum up from a sample to a populace with the aim that deductions can be made about certain characteristics, attitudes or conduct of this populace. Overview research is viewed as the best strategy for data collection when the researcher is interested in gathering original data for a populace that is too large to collect directly. This sort of research ordinarily centers around individuals, the essential realities of individuals, their beliefs, opinions, attitudes, towards the factors of telecom and its effect on improving the economic conditions. The study design is obtained in this review. The nature of the analysis has been analyzed in light of the fact that the sampled components and the variables examined are mostly measurable because they are not monitored and controlled.

This chapter provides a theoretical framework for analyzing hypothesis for understanding a relationship between customer satisfaction, service quality and customer retention. Which is in four selected banks (i.e., Punjab National Bank (PNB), State Bank of India (SBI), HDFC Bank Ltd. and ICICI Bank Ltd.). Out of these two banks from public sector banks i.e., Punjab National Bank and State Bank of India and two from private sector banks i.e., ICICI Bank Ltd. and HDFC Bank Ltd. The research gap found in the literature evaluation led to the development of the research question and hypothesis. This chapter includes description of selected research design, sampling method, sample size, questionnaire design and analysis of hypothesis testing.

DISCUSSION OF FINDINGS

The present chapter helps to provide a comprehensive overview of the research methodology employed in this study, as well as to offer a contextual background for the research endeavor. The aforementioned chapter presents the outcomes that have been deliberated within the framework of the four research objectives that were formulated for the aim of this study. The conclusions have been derived from the statistical analysis conducted in the preceding chapter, which focused on the data analysis of all four banks included in this study.

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